

Corporate Credit Rating

New Update

Sector: Plastic Industry

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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	BBB+(tr)	J2 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Negative	-
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB	-
	Local Currency	BB	-
	Local Currency	Negative	-

* Assigned by JCR on August 18, 2022

Temapol Polimer Plastik ve İnşaat Sanayi Ticaret Anonim Şirketi

JCR Eurasia Rating, has evaluated the "Temapol Polimer Plastik ve İnşaat Sanayi Ticaret A.Ş." in an investment level category and assigned the Long-Term National Issuer Credit Rating as 'BBB+(tr)' and the Short-Term National Issuer Credit Rating as 'J2 (tr)'. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as 'BB/Negative' in parallel to international ratings and outlooks of Republic of Türkiye.

Temapol Polimer Plastik ve İnşaat Sanayi Ticaret A.Ş. (referred to as 'the Company or Temapol Polimer') began its operations in 2007. The Company operates in the field of production of industrial polymer plastic sheets, marketing and sales with an annual production capacity of 9000 tons with a production area of 25,000 m². Serving production facilities ranging from automotive to medical products, bathtubs, bill boards and the construction sector, the Company has significant market share through diversified customer base. It is possible to produce various widths, lengths and thicknesses according to the needs of business partners and its products are used in more than 30 countries.

The shareholders of Temapol Polimer Plastik Ve İnşaat Sanayi Ticaret A.Ş. are Tevfik Gemici (16.30%), İbrahim Ahmet Samancı (12.47%), Mehmet Gemici (8.47%), M. Uğur Eskici (7.05%) and Hasan Ahmet Eskici (7.05%) as of 1H2023. Currently, 48.66% of Company shares have been publicly traded on the Borsa İstanbul (BIST) under the ticker symbol "TMPOL" since 2013. The Company employed a staff force of 84 as of 1H2023 (FYE2022: 83).

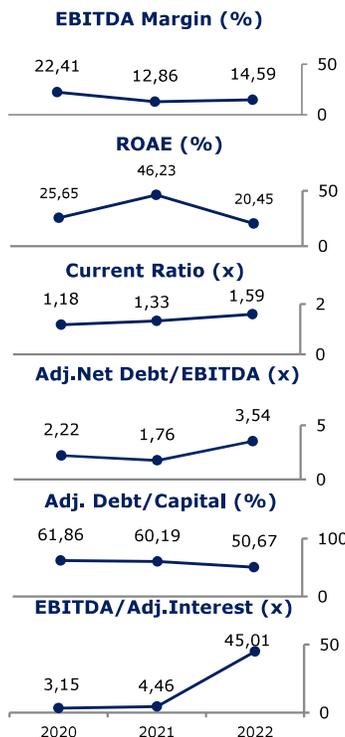
Key rating drivers, as strengths and constraints, are provided below.

Strengths

- Sustainable operational performance thanks to presence in diversified sectors with wide product range,
- Provided natural hedge mechanism through FX sales,
- Robust interest coverage ratios thanks to closely monitoring macroeconomic indicators,
- Expected improvement in profitability ratios thanks to new investments,
- Negligible levels of credit risks exposures and quality accounts receivables.

Constraints

- Increasing financial debt pressuring the Company's leverage ratios derived from rising investment,
- Comparatively limited profitability margins due to fluctuations in market demand after pandemic despite investments,
- Increasing OpEx and FX losses pressuring bottom-line,
- Rising raw material prices and foreign currency dependence of the sector,
- Global economic growth slows down evidenced by commodity prices and trade figures on the back of rapid monetary tightening, whereas domestic restrictive financial conditions limit access to finance.



Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been assigned as 'BBB+(tr)'. Presence in diversified sectors with wide product range, natural hedge mechanism thanks to FX sales, focusing on investments that will provide added value goods, potent interest coverage ratios ensured by monitoring economic indicators, and high quality of accounts receivable as well as high level of debts constrains leverage ratios, narrow profitability margins, increasing operational expenses and dependency on foreign exchange rates due to raw material prices have been evaluated as important indicators for the stability of the ratings and the outlooks for Long-Term and Short-Term National Issuer Credit Rating are determined as 'Stable'. Sectorial regulations, level of debt, profitability ratios, cash flow generation, future of investments, the attainability of the Company's budgeted projections and European recession concerns will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.